

CIA HISTORICAL REVIEW PROGRAM
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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Frank Wisner

DATE: 26 July 1954

FROM : Mr. []

SUBJECT: Attached Memo

Attached hereto is a general summary of intelligence provided to the Department concerning Guatemala. It does not pretend to cover the entire range of this intelligence, much of which was because of the manner in which events progressed discussed orally in the form of conjecture and opinion. Under this category falls the advice which was passed to Mr. Leddy with regard to the likelihood of Guatemala's making an appeal to the Security Council. I believe this was discussed in your office in late May at the same time that we were considering an operation against Jorge Toriello. I recall remarking that we should also be prepared to mount an operation against Guillermo Toriello who we could expect to be sent at the first hour of alarm to New York where he would roost safely while receiving instructions to conduct a psychological warfare program in the United Nations.

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MEMORANDUM FOR: []

SUBJECT : Intelligence Provided Department of State
Concerning Guatemala

1. NIE - 84 which gave the National Intelligence Estimate concerning Guatemala was distributed to the State Department when it was published in 1953.
2. The crash estimate of the Board of National Estimates of 22 April 1954 was also distributed to the State Department and was called to Mr. Holland's attention. This estimate reaffirmed the conclusions of NIE - 84. It also went on to state that Communists effectively controlled the political life of Guatemala and that there was no prospect of a break between Arbenz and the Communists, that the possibility of effective internal political action to alter the situation did not exist; and that the army which held the key to the situation was not likely to act spontaneously. It further stated that Communists would be concerned to neutralize the revolutionary potential of the army; that the solidarity of the other Central American states in opposition to Guatemala was weakening and that time was on the side of the Communists in Guatemala.
3. On 7 April, Assistant Secretary of State Holland was briefed on PBSUCCESS in considerable detail, including its purpose, and the reasons it was conceived.
4. On 10 April, in reappraisal of PBSUCCESS, NIE - 84 was reviewed and intelligence on the Guatemalan situation was reviewed in conference with Mr. Holland.² The following notes were used in the intelligence briefing of Mr. Holland:³
 - A. Since the revolution of 1944 the general trend in Guatemalan policy has been leftist and nationalistic. The idealism which was apparent in the revolutionary philosophy has generally been lost or corrupted in the past nine years. Inadequacies of individual and national resources have led to policies lacking in balance and moderation and finally permitted a handful of skilled Communists to seize virtual control of the government.
 - B. In resume, this status was achieved through the following measures and devices:

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a. Formation of a leftist political coalition under the successive leadership of Presidents Juan Jose Arevalo and Jacobo Arbenz Guzman. Through this coalition, the numerically weak but well trained and aggressive Communists were able to gain control of all but a small minority of seats in Congress and, through exploitation of the federal appointive power, to dominate the bureaucracy. This resulted in Communist control of:

- (1) The Ministry of Labor
- (2) The Ministry of Agriculture
- (3) The Ministry of Education
- (4) Elements of the Ministry of National Defense
- (5) The Federal Propaganda Mechanism
- (6) Appointive Offices within the Judiciary
- (7) The Institute of Social Security

b. Communist organization and control of the General Confederation of Workers of Guatemala (CGTG) achieved dominance over labor, leaving only a small minority of anti-Communist elements to fight a weak, defensive action.

c. In 1952 the Guatemalan government, with effective Communist support, increased the range and tempo of its leftist socio-political course with the passage of the Agrarian Reform Law. This law provided for expropriation of privately owned land and its subsequent distribution to landless peasants, the state retaining title and control. In application, it has been used as a weapon against landed opponents of the regime and as a means of gaining government support from the masses.

d. In recognition of the key political role played by the armed forces, the present regime has sought control by murder, threat, and bribery. Colonel Arana, who opposed Communist policy, was assassinated. Other officers, deemed unduly rightist in sympathy, were retired or transferred to non-sensitive assignments. The greater number, however, and particularly the most influential, were placated by pay raises, land grants, special purchasing privileges and freedom for graft.

e. A corrupt, leftist, opportunist Colonel Rogelio Cruz Wer was placed in command of the National Police.

f. With the abortive Salama uprising of April 1953, strongly repressive measures were undertaken and leading figures of the opposition were shot, tortured, or driven into exile.

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C. Since December 1953 the Communist position in Guatemala has been strengthened while that of the anti-Communist forces has deteriorated. This development has been brought about or made manifest by the following factors:

a. On 29 January 1954 the Guatemalan government released a "white paper" purporting to disclose a plot of traitorous Guatemalans supported by Nicaragua, Venezuela, the Dominican Republic, El Salvador and "the Government of the north". This paper contained, among other allegations, the following salient points:

(1) Guatemala was the victim of an international plot against her sovereignty and territorial integrity.

(2) The plot was supported by the United Fruit Company and unidentified high U. S. officials.

(3) The military leader was identified as Carlos Castillo Armas.

The "white paper" has been used by the Guatemalan government as a justification for increased repressive measures against opposition elements.

b. The head of Calligeris' military net within Guatemala was arrested and tortured. This followed the arrest of approximately 15 anti-Communists, some of whom occupied key positions within the opposition.

c. The independent press and radio of Guatemala has been under sustained fire. Collectively, it has been derided as the "tool of imperialism" while individual editors have been singled out for calumny as traitors. Oscar Conde, an anti-Communist radio broadcaster, was haled into court on apparently trumped-up charges. Anti-Communist broadcasts have been jammed by a transmitter apparently located in Guatemala City Police Headquarters.

d. New York Times correspondent Sidney Gruson and Columbia Broadcasting Company commentator Marshall Fannell were expelled from the country.

e. Ruben Villatorio Barrios, Enrique Coronado, and Ramiro Aguillar Gonzalez, directors of the anti-Communist labor group, UNTL, were ejected from the country, leaving effective control

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of Guatemalan labor in Communist hands without effective opposition.

f. Implementation of the Agrarian Reform Program continued with distribution of expropriated land to the peasantry. The consequence has been ingratiating of the government with hitherto landless elements.

g. Strenuous efforts on the part of the government to obtain arms have met with some success and the program of distributing arms to the agrarians continues.

h. Agressively independent groups such as the Guatemala City market women have been harrassed and intimidated. The market was burned to the ground -- possibly by accident.

i. The Army has been suborned by connivance with graft, grants of real estate and extension of extraordinary commissary privileges. Conversely, military men opposed to Communism have lived in fear of informers within the ranks and are threatened by transfer to undesirable posts or retirement.

j. The increasing efficiency of enemy intelligence has been demonstrated by successful penetration of opposition organizations and doubling of agents. Arrests conducted on 23 January 1954 showed definite knowledge of key opposition leaders, while detailed plans and activities of Calligeris' forces have been reported promptly and accurately.

k. Enemy propaganda activity, particularly in the form of mass meetings, signature campaigns, and radio broadcasting has been very active, concentrating on themes of "resistance to intervention". Mass demonstrations have been held throughout the country.

l. Removal of anti-Communist members of the Supreme Court and their replacement by malleable leftists has weakened the legal opposition.

5. Mr. Holland was briefed on 11 June on the most recent intelligence from Guatemala. He was also advised that the state of readiness of PBSUCCESS was stepped up to a date prior to 1 July. He was also reminded that there was a possibility of spontaneous combustion prior to that time.⁴

6. On 17 and 18 June 1954 Mr. Holland was told that the PBSUCCESS kickoff was set for 8 p.m. 18 June 1954. He was told that CIA could not predict the successful outcome at that time, and that some form of counter-blow could result. He was reminded of various other contingencies which could arise. Among these contingencies

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was the possibility of Guatemalan appeal to the UN -- a point commented upon by Mr. Leddy.⁵

7. Ambassador Henry Cabot Lodge was telephoned at 12:10 p.m. 20 June and advised that CIA had very good intelligence coverage of Guatemala and that Guatemalan government claims of heavy aerial bombardment were untruthful; and that there was evidence that the Guatemalan government was fabricating evidences of bombing, and that these claims were propagandistic and should be exposed. He was informed that the invasion aspects of the Guatemalan affair were being purposefully exaggerated by the Guatemalans, but that in fact there has been seething unrest within the country for many months which rapidly came to a climax when the government suspended constitutional guarantees about 7 June.⁶

8. A number of tentative conclusions with regard to steps to be taken were arrived at in a discussion in Mr. [] office on 21 June. These were written and passed to State on 22 June. The first was an understanding that there was an OAS inspection committee but not a UN Inspection Committee, and that Mr. Holland believed the inspection committee could be controlled by the majority of its membership which were friendly.

9. A telephone conversation with Mr. Holland took place 22 June during which recommendations were made for use in connection with further proceedings in the UN and/or OAS Peace Commission concerning Guatemala. A memo of confirmation was sent on the same date. It was recommended that firm terms of reference should be given any investigating group. These should be:

(1) Call on Guatemalan government to submit all facts concerning the Alfhem arms shipment, including true manifests to enable the investigating body to determine whether the arms were for offensive or defensive purposes -- noting comparative amounts of arms available to other Central American countries, and normal requirements of Guatemalan army; and to submit facts concerning other arms shipments in past two years.

(2) The Guatemalan government should be called on to give a statement concerning the nature and extent of its support of the strikes in Honduras; ~~of the support of the strikes in Honduras~~; of the support to the clandestine newspaper of the Honduran Communist Party, and of the kind and quantity of Communist propaganda brought into Honduras by the Guatemalan government.

(3) There should be fullest investigation into arrests and attacks upon anti-Communists, harassment of anti-Communist press, torture and killing of political prisoners, assassination of certain leading anti-Communists. Live witnesses should be used.⁸

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10. A regular and continuing supply of day to day intelligence on the Guatemalan situation was supplied to the Department of State in the form of cabled Preliminary Disseminations (PD's). Since the middle of May, memoranda have been passed informally to certain members of the Department containing both the information currently being disseminated as well as supplementary material of operational interest to those officials familiar with PBSUCCESS objectives and brought partly into PBSUCCESS operations.

11. Knowledge of Guatemalan plans counting on some form of arbitration to settle the Guatemalan situation before the expected uprising led by CASTILLO Armas occurred was disseminated in the following two reports:

a. PD 285 of 10 June contained F-3 information that Foreign Minister Toriello had said there was a "master card" which the Guatemalans intended to play by requesting that the United States and Guatemala sit down as litigants at an OAS meeting in which the rest of the members would act as arbiters.

b. PD 296 of 10 June contained B-2 information that Minister of Economy Fanjul planned to advise Arbenz to seek a talk with President Eisenhower in which the Guatemalans would agree to get rid of the Communists in return for economic concessions from the United States.

12. Information was provided to the Department of State on 20 and 21 June for use in countering certain false statements made by the Guatemalan Government. The two allegations were that bombs had been dropped on Guatemala City on 18 and 19 June, and that Guatemala was being invaded by foreign forces without popular support. The first point was refuted by material which showed that eyewitnesses had emphatically stated that the aircraft of the revolutionary forces dropped only leaflets and only fired bursts into the clouds, and that the house of Col. Mendoza in Guatemala City allegedly bombed was in fact set on fire by unknown persons in Guatemala City. The second point was refuted by citing disaffection in the Guatemalan Air Force as well as Radio Liberacion broadcasts stating that the revolutionary forces were "98% Guatemalan." Additional material was cited to counteract Arbenz' claim on 19 June that there "was no reign of terror in Guatemala." Specific instances were the deaths by torture of Gabriel Martinez del Rosal, Perfecto Villegas, and the owner of the Kaufman finca.

13. USIS was provided with daily summaries of information from Agency, State, press, and monitored radio reports during the period 22 June to 29 June for their use.

14. Additional information which the Department of State received in PD's concerned the following general subjects:

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a. Dissatisfaction of army leaders with Communist nature of Arbenz regime:

PD 065 - 21 May - Reaction of Guatemalan Army Officers to Arms Shipment to Guatemala

"Incident dramatically demonstrated close ties of Guatemalan and Soviet Governments..."

PD 332 - 13 June - Army Request that Arbenz Change Present Policy

"Arbenz stated the Army trying to persuade him to get rid of Communists and change policy, but he said present policy was his and unchangeable with or without Communists..."

PD 333 - 14 June - Army Request that Arbenz Change Policy or be Overthrown

"Great majority (allegedly 95%) have indicated to President Arbenz their opposition to continued government alliance with Communists..."

PD 391 - 17 June - Activities of Guatemalan Civilian and Military Leaders

"Unidentified cabinet minister has been conferring with Col. Jose Angel Sanchez, Minister of Defense, about measures to take against Arbenz in view of apparent unwillingness Arbenz to modify his stand on Communism..."

b. Terroristic Actions of Guatemalan Government Suppressing Anti-Communists:

PD 360 - 16 June - Guatemalan Government Activities against Anti-Communists

"Since 12 June, 26 persons have disappeared in Tiquisate...17 persons have been arrested in Mazatenango. Arrests throughout Guatemala run into the hundreds."

PD 374 - 16 June - Dropping of Arms, Ammunition from Unidentified Aircraft in Vicinity Tiquisate, Guatemala

"Two truckloads of prisoners taken by Guardia Civil to Escuintla from Tiquisate. Total number of prisoners was 87..."

PD 389 - 18 June - Unrest in Guatemala

"Unofficial estimates that 480 persons arrested in Guatemala City...Two hundred new agents being em-

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ployed by Guardia Civil (note that Government has made no comment on number of persons arrested)...Non-Guatemalan Communists engaged in tortures and murders of prisoners..."

PD 393 - 18 June - Attempt of Guillermo Toriello to Resign

"Toriello tried to resign given as reason his disagreement with mass arrests and tortures being conducted by Guatemalan Government..."

PD 402 - 18 June - Meeting of Guatemalan Cabinet on Night 16 June

"Arbenz asked for law authorizing any anti-Communist who was arrested to be shot in three days..."

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Footnotes

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1. Briefing of Assistant Secretary of State Holland on 7 April 1954.
2. Conference with Assistant Secretary of State Holland re PBSUCCESS,
10 April 1954.
3. Papers used at briefing of Assistant Secretary Holland, 10 April 1954.
 - a. Factors Bearing Upon Present Status of PBSUCCESS.
 - b. The Background of Guatemalan Communism.
4. Memo for the Record, dated 11 June 1954. Subject: PBSUCCESS -
Conversation with Assistant Secretary Holland.
5. Memo for the Record, dated 18 June 1954. Subject: PBSUCCESS -
Alerting of Mr. Holland.
6. Memo for the Record, dated 20 June 1954. Subject: Conversation
with Henry Cabot Lodge.
7. Memorandum dated 21 June, 1954. Subject: Ideas Developed in
meeting in Mr. L Office Concerning Guatemalan Situation.
8. Memorandum for Mr. Henry F. Holland, dated 22 June 1954. Subject:
Recommendations for use in Connection With Further Proceedings in
the United Nations and/or the OAS Peace Commission; Guatemala.

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